



February 26, 2026

Senator Donna Bailey, Co-Chair  
Representative Kristi Mathieson, Co-Chair  
Committee on Health Coverage, Insurance and Financial Services  
c/o Legislative Information Office  
100 State House Station  
Augusta, ME 04333

Dear Senator Bailey, Representative Mathieson, and Members of the Committee on Health Coverage, Insurance and Financial Services,

I am writing to express my views neither for nor against **LD 2208, An Act to Offset Federal Cuts to Health Insurance for Certain Maine Families and Seniors**, specifically the provision of the bill that would allocate \$80 million to help stabilize MGARA, Maine's reinsurance program for high-risk claimants in the small group and individual markets.

As you heard from the Bureau of Insurance earlier this year, MGARA's impact on premium has declined in recent years, from reducing premiums by as much as 15%, down to just a 7% impact today. At a time when Maine employers and families are struggling to afford skyrocketing premiums, we understand the concern that MGARA's downward trajectory could further exacerbate healthcare affordability issues, and we believe that LD 2208's proposed use of general fund dollars is the most appropriate and equitable strategy for addressing MGARA's solvency issues.

Currently, every employer that provides insurance coverage in Maine pays a \$4 per member per month (PMPM) assessment to finance MGARA. But while all employers in Maine pay the MGARA assessment, only a minority of lives in the small group and individual market have access to MGARA's reinsurance program; the vast majority of plans do not benefit from the reinsurance program at all. Specifically, 725,500 Mainers were insured in employer-sponsored or individual plans in 2024.<sup>1</sup> Of that group, only about 110,000 are insured through the small group and individual plans that benefit from MGARA.<sup>2</sup> In other words, 85 percent of commercially insured Mainers are paying an assessment of \$24 per person annually to subsidize the remaining 15 percent of the commercially insured.

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<sup>1</sup> Kaiser Family Foundation, *Health Insurance Coverage of the Total Population*. Available at: <https://www.kff.org/state-health-policy-data/state-indicator/total-population/?dataView=1&currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

<sup>2</sup> Wakely, *MGARA Sustainability and Policy Options Analysis*, Maine Bureau of Insurance, January 2026. Available at: <https://www.maine.gov/pfr/insurance/sites/maine.gov.pfr.insurance/files/inline-files/FINAL%20-%20Wakely%20MGARA%20Analysis%20Report%20%28012026%29.pdf>.



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As policymakers seek solutions to address MGARA's solvency issues, we applaud Speaker Fecteau for putting forward a proposal that would utilize general fund dollars to moderate premiums for the small and individual group markets—a strategy that several other states utilize to fund their reinsurance programs.<sup>3</sup> This approach will provide premium relief for those in the individual and small group markets, without further increasing the \$24 MGARA assessment that 600,000+ Mainers in self-insured or large group plans already pay each year to help moderate premiums for those in the small group and individual markets.

Our only concern with the bill is the one-time nature of the appropriation. The solvency issue facing MGARA is ongoing, and it results from a number of factors that will continue to reduce MGARA's impact on premiums moving forward. To that end, I hope that you will consider making the MGARA funding in the bill an ongoing, rather than one-time, appropriation. While a one-time appropriation will provide premium relief next year, it would only be a temporary fix that will not stabilize MGARA—nor small group and individual market premiums—over the long term.

Thank you for the opportunity to share the HPA's feedback on LD 2208, and thank you to Speaker Fecteau for putting forward this proposal. I can be reached at [tputnoky@purchaseralliance.org](mailto:tputnoky@purchaseralliance.org) or 400-2078, if you have any questions.

Best regards,

Trevor Putnoky  
President and CEO

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<sup>3</sup> Ibid.